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**ENERGY PROGRAMS  
LOW INCOME ENERGY ASSISTANCE (LIEAP)**

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**EP – 300 LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)  
CHANGE #1-2015  
July 1, 2015**

**300.01 LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)**

The Low Income Energy Assistance Program (LIEAP) provides a one-time annual vendor payment to help eligible families pay their heating expense.

The following sections of the Energy Programs manual also apply to LIEAP:

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**300.02 APPLICATION REQUIREMENT**

- A. Everyone who wishes to apply for the Low Income Energy Assistance Program (LIEAP) must be given the opportunity to apply without delay during the appropriate application taking time frame and as long as funds are available. Scheduling appointments for LIEAP applications is not appropriate.

Only households containing an elderly person age 60 and above or a disabled person receiving services through the Division of Aging and Adult Services (DAAS) are eligible to potentially receive benefits from December 1<sup>st</sup> through December 31<sup>st</sup> or until funds are exhausted. Disabled persons are defined as receiving SSI, SSA, or VA disability.

**EXAMPLES:** Applicant age 50 applies in December. Also in the home are two children under 18 and another adult age 40 who is disabled and receiving services through DAAS. This household is eligible to potentially receive benefits in the month of December.

A disabled applicant age 45 applies in December. There is another adult in the home age 20 who is not disabled. The disabled applicant does not receive any services through DAAS. This household may apply in December but does not meet the target group eligibility requirements to potentially receive benefits during that month. This household will need to apply beginning January 1<sup>st</sup> through March 31<sup>st</sup>, or until funds are exhausted, to be considered for approval.

Applicant age 60 applies in January. Also living in the home are two other adults age 30 and 42. This household is potentially eligible to receive benefits during the month of December.

Applicant age 40 applies in December. Also living in the home is another adult age 65 and a child age 10. This household is potentially eligible to receive benefits during the month of December.

Any household can potentially receive benefits from January 1<sup>st</sup> through March 31<sup>st</sup> or until funds are exhausted, if all eligibility requirements are met. If December 1<sup>st</sup> or

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January 1<sup>st</sup> falls on a weekend or holiday, resort to the first working day of the month. If March 31<sup>st</sup> falls on a weekend or holiday, resort to the last working day of the month.

If an applicant comes into an agency that takes applications and requests to apply during the application taking period as defined above, they must be allowed to sign an application on the day they appear.

**NOTE:** Households that include a Native American who is 18 years of age or older residing in Cumberland, Hoke, Robeson, and Scotland counties, who wish to apply for LIEAP benefits, must do so through the Lumbee Tribe.

- B. Application taking must be completed by state and local governmental entities or community-based organizations as well as by social services. Examples of community-based organizations are not-for-profit neighborhood-based organizations, area agencies on aging, and community action agencies. (See EP-200 for additional information.)
- C. A valid social security number is required, when available, for each household member. Applicants not currently active in Food and Nutrition Services, WFFA, or Medicaid must sign the DMA-5001, Notice of the Use of Social Security Numbers, when Income and Eligibility Verifications System (IEVS) matches are performed prior to the applicant's signing of the DSS-8178, Energy Programs Application.
- D. Explain to the applicant their rights and responsibilities.
- E. Inform all applicants, either verbally or in writing, that unless the requested information is received within ten business days from the date of application, the application will be denied.
- F. Inform all applicants that approval is based on availability of funds at the time of application disposition.
- G. Inform households of additional services such as the Linkup and LifeLine Programs. See EP-200.09.
- H. LIEAP applicants must be provided with the opportunity for voter registration.
- I. If an applicant provides a utility bill for verification of their utility expense and the bill is not in their name, the applicant needs to provide a written statement from the person whose name the bill is in verifying the applicant is responsible for payment of the heating expense. In the event that person is unavailable such as being deceased or unreachable, accept the applicant's statement. If the bill is in a minor child's name, that child must reside in the home and a statement is not needed.

**300.03 DMA-5093, APPLICATION LOG**

Counties must register (log) all individuals requesting to apply for LIEAP. Counties may use the DMA-5093, Daily Reception Log, for Medical and Financial Assistance, which includes the LIEAP and CIP Programs.

**300.04 APPLICATION PROCEDURES**

- A. General Information
  - 1. Duplicate payments to LIEAP households are not allowed. Establish controls to ensure that households do not receive duplicate benefits.
  - 2. Use the Energy System inquiry to check whether there are other energy applications for any household members. If the name, address, and social security number for a household member match that of an applicant already in

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the system, conduct additional research before approving the case. Evaluate each household member to determine the correct household composition to eliminate the duplication. Refer to EP-620, Low Income Energy Assistance Program System Instructions.

3. The LIEAP application period ends March 31st of each year. The keying deadline is 10 business days following the application end date. After such time, LIEAP applications cannot be entered in the Energy Programs system.
4. All LIEAP applications pending after March 31st must be processed within 15 days from the date of the application.

**B. Procedures for Completing Form DSS-8116-I, Eligibility Worksheet**

1. It is mandatory to complete a DSS-8116-I, Eligibility Worksheet for an application if:
  - a. A household member has earned and/or unearned income, or
  - b. A household member is an ineligible alien with income, or
  - c. A household member has reserve that is questionable, or
2. Complete all sections on the DSS-8116-I that apply to the household.

**C. Explain to the applicant they have the right to:**

1. Receive assistance if found eligible.
2. Be protected against discrimination on the grounds of race, creed, or national origin by Title VI of the Civil Rights Act of 1964 and may appeal such discrimination under Section 504 of the Disability Act.
3. Have any information given to the agency kept in confidence.
4. Appeal, if
  - a. Denied the right to apply for assistance on the same day they or their representative went to the county department of social services; or
  - b. The application was denied; or
  - c. The assistance is incorrect based on the county's interpretation of the State regulations; or
  - d. A decision is not made on the application in a timely manner.
5. Withdraw from the assistance program at any time.
6. Reapply if the household is denied and the situation changes. The household must reapply before the application period expires.

**D. Explain to the applicant he has the responsibility to:**

1. Provide requested information needed to determine eligibility within ten business days. Use the DSS-8185 to request needed information. This is the only request provided to the applicant.

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2. Notify the applicant that if information is **not** received **by the deadline date**, the application will be denied for failure to provide information. Approval will be based on availability of funds at the time of disposition.
3. Provide verification of social security numbers for all members of the LIEAP household. If verification is not available, accept client's statement.

E. County Department's Responsibilities

The County has the responsibility to:

1. Assist the household in obtaining information to determine eligibility, if requested.
2. Inform the applicant or his representative of the eligibility requirements and hearing rights. You may wish to use the DSS-8117 for this purpose.
3. Ask the applicant to specify the primary type of fuel used most often. Explain to the applicant that the fuel type-given at the time of application will not be changed even if the household later-changes its primary source of heat-
4. Explain the meaning of fraud to the applicant. Explain penalties for providing false or incorrect information.

F. Prevention of Overpayments

1. Interviews

The key to fraud prevention is skilled interviewing. The interviewing process must involve two-way communication. First, you must be specific and thorough in the questions asked. It is important to phrase questions in a way that the a/r will understand them. For example, spell out specific items included as "income" to avoid the misunderstanding that the only item included is wages. Secondly, listen carefully to the a's/r's responses. Give the a/r a chance to respond in his own words. Repeat the a's/r's responses back to him to ensure you understand and to give him a chance to add additional information.

2. Other Preventive Measures

a. Intra-agency

Establish communications among the various units in your office. Fraud prevention is the responsibility of the entire agency. Therefore, you must develop a systemic way to report changes and exchange information. Each agency should have several controls in place such as card files to avoid duplication of payments. Also, agencies should use the terminals to check whether there are any other energy applications for any household member.

b. Inter-agency

In order to obtain prompt and accurate information needed to determine eligibility, it is important to establish a good relationship with other agencies, employers, and institutions. Inform them of the program requirements and the importance of receiving prompt and accurate information.

c. Public Awareness

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Inform the public about your agency's attempt to prevent fraud. This is important both as a deterrent and as a public relations measure. Information regarding court actions taken against fraudulent clients, amount of collections over a period of time, etc., could be periodically offered to the news media. Publicize the telephone number for calling in reports of possible fraud. Emphasize that such reports are kept confidential. If the public realizes the importance of preventing fraud, you may be able to obtain much more information and cooperation.

d. Match Listings

In order to avoid duplicate payments, match reports can be run in the Energy System and or Client Services Data Warehouse. The purpose of these reports is to provide the county with a tool to identify possible duplicate issuances of benefits. The reports can be run by social security number, address, or name. Refer to EP Manual Section 600.04 for instructions on how to run these reports.

**300.05 SPECIAL PROVISIONS FOR WAIVING THE OFFICE INTERVIEW**

- A. Agencies may complete interviews by telephone in the following situations if no member of the household is able to come to the agency or if the household does not have someone who can serve as an authorized representative:
1. The household lives in a rural location and does not have transportation; or
  2. The household member is unable to come to the agency for reasons such as, but not limited to disability or incapacitated, illness, caring for a household member, prolonged severe weather, or employment hours or training schedule which conflicts with the agency hours.
- B. Application Procedure for Telephone Interviews
1. Complete the application interview.
  2. Allow applicant ten (10) business days to return the application and required verifications. Record the pending date on the DSS-8185. This is the only request sent to the applicant.
  3. Mail application form (DSS-8178) and DSS-8185 to the applicant.

**NOTE:** Applications are not considered complete unless all questions have been answered and documented and has been signed. Do not key an unsigned application into the data entry system. Applications mailed after the conclusion of a telephone interview must be signed by the applicant or authorized representative. Applications not returned or returned not signed are not complete applications. Notify the applicant, verbally or in writing, that his application is incomplete and will not be processed. Document your verbal contact or file a copy of the letter in the case record.

**300.06 ACTION TO TAKE WHEN AN ENERGY PROGRAMS APPLICATION (DSS-8178) IS COMPLETED BY THE COUNTY**

- A. When an application is:
1. Complete

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The application is complete if all questions have been answered and are documented on the application form. It must be signed by the applicant or his representative.

Key the application DSS-8178. See EP-620, Low Income Energy Assistance Program System Instructions. A system generated notice is mailed or given to these applicant households.

2. Incomplete

The application is incomplete if all the questions have not been answered and documented or it is not signed. See Section 300.04 B. Note.

a. Telephone Call

- (1) If the information needed to complete the application can be obtained by the telephone, call the applicant.
- (2) Document the telephone call and the information received in the case record.

b. DSS-8185, Notice of Incomplete Application

- (1) List on the DSS-8185 the information needed to complete the application. Inform the household the completed application must be returned within ten business days. Also inform the household that approval will be based on availability of funds at disposition. Record the due date on the DSS-8185; **and**
- (2) Document on the log or in the case record the date you sent the DSS-8185. Keep a copy of the DSS-8185 in the case file.

B. Requested Information Returned

When all the requested information is received:

1. Document in the case record the date you received the requested information.
2. Determine if any changes have been reported.
  - a. If **no** changes are reported, process the application within two (2) business days.
  - b. If changes are reported, determine if the change affects eligibility or benefit level. If yes, contact the household by phone to resolve the change. If unable to contact the household by phone, send the household a DSS-8185 requesting the information. Allow household ten (10) business days to respond. Process the application within two (2) business days of receipt of the requested information.

If information is not received, deny the application on the eleventh (11<sup>th</sup>) day.

If change does not affect eligibility or benefit level, document changed information in the energy system and process case within two (2) business days.

C. Actions to Take If You Receive an Application after the Deadline

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You must:

1. Verbally or in writing notify the applicant that his application was received **after** the deadline and it will not be processed; and
2. Document your verbal contact with the applicant or file a copy of the letter in the case record.
3. You may for easy reference, maintain a log of all applications received after the deadline.

**300.07 ELIGIBILITY CRITERIA**

Eligibility for the Low Income Energy Assistance program is based on certain non-financial and financial requirements. Each applicant household must meet all requirements. Each eligibility criteria is discussed in Sections 300.08 through 300.10, and 300.13.

**300.08 VULNERABILITY**

To be eligible, a household must be vulnerable at the time of application. A household is vulnerable if it is subject to rising cost of heating, has a heat source and is billed separately for the heat expense. Accept the applicant's statement about the vulnerability status for the household.

1. If a household lives in a private living arrangement and it has a heat source and heat costs are billed separately, it is fully vulnerable.
2. If a household lives in public housing where heat costs are billed separately from the rent, it is fully vulnerable.
3. An applicant who lives in a private living arrangement who does not receive a separate bill from the energy provider is not vulnerable.
4. A household in public housing where heating costs are included in the rent is not vulnerable. This includes households whose rent is increased to cover excess heating costs. This also includes individuals who have paid excess for heating in the last twelve (12) months. For additional verification of a heating arrangement in public housing, contact the local public housing authority.
5. A person living in an institution is not vulnerable.

**NOTE:** Receipt of a utility allowance does not affect vulnerability status. Section 8 households are considered in a private living arrangement.

If an applicant is living in another arrangement which is not listed above, call the Economic and Family Services Section for assistance (Telephone 919-527-6300).

**300.09 INCOME**

Households meet income eligibility if the total household members' countable income for base period (month(s) prior to application) is equal to or less than 130% of the current poverty level.

No. Eligible In Household	Maximum Countable Income	No. In Household	Maximum Countable Income
1	\$1,275	14	7,134
2	1,726	15	7,584
3	2,176	16	8,035

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4	2,627	17	8,486
5	3,078	18	8,936
6	3,528	19	9,387
7	3,979	20	9,838
8	4,430	21	10,288
9	4,880	22	10,739
10	5,331	23	11,190
11	5,782	24	11,640
12	6,232	25	12,091
13	6,683	26	12,542

If there are more than 26 in a household, call the Economic and Family Services Section at (919) 527-6300 for the maximum countable monthly income.

**I. COUNTABLE INCOME**

If the household has income not listed under countable or excluded income, contact the Economic and Family Services Section at (919) 527-6300.

To compute countable income, count:

- A. Wages from employment, tips, seasonal employment, baby-sitting, domestic employment, Workforce Innovation and Opportunity Act (WIOA) or work experience payments. Count gross amount before any deductions.
- B. Income from roomers, boarders, or tenants
- C. Farm income
- D. Small business income, including income from self-employment
- E. Income from rental property
- F. Foster care payments (only if child is included in the household) and adoption assistance payments.
- G. Work First Family Assistance
- H. Supplemental Security Income (SSI) benefits. If the check is reduced by a recoupment for any overpayment, subtract the recoupment amount from the gross amount.
- I. Social Security benefits (RSDI). If the check is reduced by a recoupment for any overpayment, subtract the recoupment amount from the gross amount.
- J. Veteran's benefits (VA). This includes Aid and Attendant Care benefits.
- K. Railroad Retirement benefits
- L. Unemployment Insurance benefits
- M. Trade Readjustment benefits
- N. Private disability or unemployment benefits
- O. Worker's Compensation



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- P. Pensions
  - Q. Contributions
  - R. Support payments
  - S. Work release income
  - T. Interest, dividends from stocks, bonds, other investments, and income from trust funds
  - U. Military allotments and alimony
  - V. Brown or Black Lung benefits
  - W. Monthly payments received from sale of property
  - X. Educational assistance in the form of scholarships offered by civic groups and institutions, and athletic scholarships. To determine the countable income, deduct the following:
    - 1. Tuition and mandatory fees
    - 2. Materials and supplies related to the course of study
    - 3. Books, supplies, transportation, and miscellaneous expenses including, but not limited to, professional membership dues, journal subscriptions, meals for commuting students, and clothing.
- NOTE:** This exclusion does not include room and board expenses.
- Y. Assistance from other agencies and organizations if such aid is for rehabilitation purposes, special training, or educational opportunities. This includes Veterans Administration (VA) Educational Assistance.
  - Z. Incentive payments made to an applicant/recipient participating in a vocational rehabilitation program.
  - AA. Reimbursements for normal living expenses (such as rent, mortgage, personal clothing, or food eaten at home) and any other reimbursement that exceeds the actual expense.
  - BB. Per Capita Gaming Payments made under Per Capita Act PL 98-64. Divide the current payment by six to get a monthly amount. Do not include Reserve Distribution as income.
  - CC. Special Assistance (SA)
  - DD. Strikers Income. (For LIEAP budgeting purposes, refer to Section 265, Variable Income, of the Food and Nutrition Services Certification Manual.

**II. NON-COUNTABLE INCOME**

If the household has income not listed under countable or excluded income, contact the Economic and Family Services Section at (919) 527-6300 for assistance.

In computing income, do not count:

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- A. Wages (part-time or full-time) received by a high school or elementary school student under age 18 who is under parental control of an adult household member.
- B. Income from Workforce Innovation and Opportunity Act (WIOA) for a child when he is under age 19, and he is under the parental control of an adult household member.
- C. Reimbursements for past or future expenses are excluded if they are for a specific expense and used for the purpose intended, not a reimbursement for normal living expenses (such as rent, mortgage, personal clothing, or food eaten at home), and the reimbursement does not exceed the actual expense.
- D. Income for supportive services or reimbursement of out-of-pocket expenses to volunteers serving as foster grandparents, senior health aides or companions, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), or any other programs under Titles II and III of PL 93-113. Exclude payments under Title I as Vista, University Year of Action, etc.) if the individual was receiving public assistance (Work First Family Assistance or SSI) or Food and Nutrition Services at the time of joining VISTA/ACTION.
- E. In-kind contributions.
- F. Payments made directly to vendors on behalf of a household.
- G. Irregular and infrequent income. This is income under \$30 in a calendar quarter which is received too infrequently or irregularly to be reasonably anticipated.
- H. Personal loans.
- I. Payments made under the Alaska Native Claims Settlement Act, PL 92-203.
- J. Payments to certain Indian tribes as permitted by PL 94-114.
- K. Funds received and used to pay for services rendered by another individual (non-household member) or agency. This includes Veterans Administration (VA) Education Assistance. Example: attendant or chore provider.
- L. Disaster assistance.
- M. HUD Community Development Block Grant funds received to finance the renovation of a privately owned residence.
- N. The value of the Food and Nutrition Services Benefit amount.
- O. The value of USDA donated foods (surplus commodities).
- P. Relocation payments provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- Q. Benefits received under Title Seven, Nutrition Program for the Elderly Older Americans Act, and Older American Community Service Programs.
- R. The value of supplemental food assistance received under the Child Nutrition Act and the special food service program for children under the National School Lunch Act.

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- S. Payments made under PL 93-134, the Judgment Award Authorization Act of the Indian Claims Commission.
- T. Exclude income from roomer/boarders when roomer/boarder is not part of the LIEAP household.
- U. Payments made under PL 94-540 to the Grand River Band of the Ottawa Indians.
- V. Agent Orange payments received from Aetna Insurance Company.
- W. Child care payments received through Work First, the Division of Child Development and Development Block Grant Program (CCDBG), and "at-risk" child care.
- X. Payments distributed pursuant to any judgment of the Indian Claims Commission of the Court of Claims in favor of any Indian tribe.
- Y. Assistance to prevent fuel cutoffs and to promote energy efficiency under the Emergency Energy Conservation Services Program or the Energy Crisis Assistance Program as authorized by the Economic Opportunity Act of 1964, as amended.
- Z. Any Emergency Assistance or Energy Program paid or on behalf of an applicant.
- AA. Employment and training benefits received under Title V of the Older Americans Act.
- BB. Payments received under the Repatriated Americans Programs if the person receiving the payment is required to sign an express agreement to repay the funds received.
- CC. Payments received as a result of the Wartime Relocation of Civilians law which is provided to certain citizens of Japanese ancestry, Japanese aliens, and Aleuts.
- DD. Job Training Partnership Act (JTPA) training allowances.
- EE. Salary deduction for military service personnel used to fund the GI bill.
- FF. Cash charitable contributions up to \$300 per calendar quarter based on need which are received from a private nonprofit charitable organization (e.g., Salvation Army, Urban Ministry, churches, etc.).
- GG. Nonrecurring lump sum payments. Example: Benefit Diversion Payment.
- HH. Earned Income Tax Credit.
- II. Money received by a payee which is used for the care and maintenance of a person who is not a household member.
- JJ. Monies used to repay either voluntarily or involuntarily an overpayment from the same source.
- KK. Payments received as a result of the Radiation Exposure Compensation Act. These payments are provided to individuals for injuries or death resulting from exposure to radiation from nuclear testing or uranium mining in Arizona, Nevada, and Utah.

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- LL. Money designated by Social Security Administration for deposit to a Plan for Achieving Self-Support (PASS) account.
- MM. Title IV and Bureau of Indian Affairs (BIA) educational assistance.
- NN. Income from the Adult Developmental Activities Program (ADAP).
- OO. Payments made by HUD for utility assistance.
- PP. Housing improvement grants.
- QQ. Any funds distributed per capita to or held in trust for members of any Indian tribe under PL 92-254.
- RR. Experimental Housing Allowance Program (EHAP) payments.
- SS. Holocaust survivor's restitution payments

**III. TREATMENT OF FOSTER CARE CASES**

The foster parent may choose to include the foster child(ren) as a LIEAP household member. If the child(ren) is included, count his countable income and count the supplemental payments for foster care as income to the foster parents.

**IV. DETERMINATION OF GROSS INCOME**

**A. Ongoing Income**

Unless income has terminated, count the gross income for the month prior to the date of application when the income is received more frequently than monthly. For income received on a monthly basis, count the average of the 2 prior months.

**B. Self- Employment Income, Limited Liability Company (LLC) and 'S' Corporations**

Households in which one or more members are engaged in an enterprise for gain, such as an independent contractor, franchise holder, owner/operator, or operator, have self-employment income. When an individual does not have an employee/employer relationship in his work and is responsible for paying his own social security taxes (FICA) and other taxes, he will be determined to be self-employed. If the business is incorporated as a LLC's or 'S' Corporation budget the income the same as self-employment income. If the business is incorporated as a 'C' Corporation do not use self-employment budgeting, count income received from the business as wages.

**EXAMPLE 1:** A carpenter is part of a crew that is assigned trim work. He/she works steadily for one contractor. The contractor does not withhold income tax on this individual. There is no cost of doing business to the individual such as supplying his tools or materials. The carpenter is determined self-employed.

**EXAMPLE 2:** An individual is a painter. He/she provides all the paint, ladders, brushes, and other supplies necessary to complete the job. This individual primarily works for one contractor but occasionally does side jobs. The contractor pays the painter by the job. No taxes are withheld. This painter would be considered self-employed.

**A. Records of Self-employment**

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1. Records containing the total business income (including business invoices and accounts receivable) and business expenses (allowable costs of doing business) are essential to determine eligibility and correct benefit level. Request the previous year's tax records (Form 1040 and all Schedules to show the business income and expenses) when they are representative. If last year's tax records are not available, request business income and expense records for the previous 12 months. If the business has not been in operation for 12 months, request income and expense records for the period of time the business has operated.

If these records are not representative due to an increase or decrease in business, average and anticipate income based on the most accurate information available. Document why the records were not representative and how the determination of countable income was made.

When first working with a household applying for LIEAP, if the previous year's tax records or business records are not available, the county department can anticipate income and expenses based on the best available information from the self-employed individual. Remember, deductions from self-employment income must be **allowable** (reasonable to the cost of doing business). If tax records are not available, receipts of expenses must be provided. To determine which deductions may be allowed, see 300.09 C., Allowable Costs of Doing Business.

2. If records were not available at this first contact, the county department should inform the household that the household is responsible for keeping adequate records and receipts to provide future verification of income and expenses.

**B. Budgeting of Self-employment**

1. If the business has been in existence at least one year and the household states this is representative:
  - a. Obtain income and expense verification for the previous year.
  - b. Subtract the allowable and reasonable costs of producing the income. See 300.09, C. for a listing of these deductions.
  - c. Divide the result by 12 to obtain the average monthly income to enter into the Energy System.
2. If the business has been in existence for less than one year and the household states this is representative:
  - a. Obtain income and expense verification for the number of months that the business has been in existence.
  - b. Subtract the allowable and reasonable costs of producing the income. See 300.09, C. for a listing of these deductions.
  - c. Divide the result by the number of months that the business has been in existence.

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d. Enter the anticipated averaged monthly income in the Energy System.

3. If the average of the previous records are not representative due to an increase or decrease in business, average and anticipate income for the certification period based on the most accurate information available. Document why the records were not representative and how the determination of countable income was made.

**NOTE:** Do not consider a client who does sporadic or odd jobs that do not reoccur as self-employed.

C. Allowable Costs of Doing Business Include:

1. Costs of maintaining a place of business such as, rent, utilities, insurance on the business and its property, and property taxes.

**NOTE:** If a business is operated in the home, allow only those costs identified for the part of the home used exclusively for the business. If expenses for the business are not separately identifiable, use a prorata share of household expenses as a cost of doing business. Payments on the principal cannot be allowed as a cost of doing business.

2. Principal and Interest paid on loans used to purchase income producing equipment and property.

3. Taxes paid on income producing property.

4. Repairs and maintenance related to the business.

5. Employee labor costs including commissions paid, taxes, FICA insurance, etc.

6. Cost of goods, supplies, and materials, livestock, seed and fertilizer.

**NOTE:** Allow the expense for purchase of goods for resale in the month incurred.

**EXAMPLE:** An Avon representative purchases \$300 worth of products in October to sell in December. Allow the \$300 expense in October when incurred. Count the income from resale in December when received.

7. Advertising costs.

8. Accounting and legal fees.

9. State and local sales taxes paid.

10. Professional licenses, permits, and taxes, if necessary, to practice a profession or trade.

11. Transportation costs necessary to produce income. The transportation deduction is not to exceed the federal mileage rate for income tax purposes.

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12. Actual costs of providing meals as part of the business, such as baby-sitting.
13. Insurance premiums on business equipment.
14. For sharecroppers, the percentage of gross sales paid to the landowner for the use of the land.
15. For operation of non-commercial boarding houses, deduct the greater of the following:
  - a. The Thrifty Food Plan (maximum food coupon allotment) for a FNS unit size that is equal to the number in the boarder household; or
  - b. The verified actual separate and identifiable costs of providing room and meals if the actual costs exceed the appropriate Thrifty Food Plan for the number in the boarder household.

If an item is used for purposes other than producing income, prorate the expense using the percentage of time the item is used to produce income.

**EXAMPLE:** A self-employed child care provider uses her vehicle 50% of the time in her business. The other 50% of the time she uses it for her own personal use. She is entitled to 50% of the vehicle expenses as a deduction for her business.

**D. Non-allowable Costs of Doing Business Include:**

1. Losses from previous periods.
2. Current or anticipated losses (except for self-employed farmers).
3. Depreciation claimed for tax purposes.
4. Deposits into the self-employed individual's retirement account and/or payment for his life and health insurance.
5. The self-employed individual's work-related expenses accounted for by the earned income deduction including federal, State, and local income taxes, and other work-related personal expenses, such as transportation expenses for the commute to and from the individual's place of business.
6. Other personal expenses not related to the business, such as meals, clothing, etc.
7. Capital assets or equipment.
8. Expenses paid or incurred from last year's crop production.

**E. Procedures to Offset Farm Losses:**

A loss from farming occurs when the cost of doing business is greater than the income received. When the annual gross receipts of a farmer

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are expected to be at least \$1000, offset losses against other LIEAP household income.

- a. Compute the total gross farm income (which must be at least \$1000), and subtract the allowable costs of doing business. See 300.09, C.
- b. Subtract any losses from the self-employment income first; and
- c. Subtract any remaining losses from other earned and unearned income.

**V. TERMINATED INCOME**

**Income is terminated when the last payment is received.**

- A. When a household member's income is terminated on or before the date the applicant signs the application use actual countable income plus any new anticipated income to be received in the month of application.
- B. If the household member's income is terminated after the date the applicant signs the application, use the actual income plus any new anticipated income to be received in the month of application.

**VI. ROUNDING OF INCOME**

- A. Round each entry on the application to the nearest whole dollar before and after each calculation.
- B. If the income or deduction ends with one cent to 49 cents, round down to the nearest dollar; or if ends with fifty cents to 99 cents, round up to the nearest dollar.

**300.10 HOUSEHOLDS WITH AN INELIGIBLE ALIEN**

**A. Computation of Gross Countable Income**

1. Follow instructions in the appropriate section to determine the gross countable income household members.

To determine who is a qualified or non-qualified alien, please refer to Section 225.04 of the Food and Nutrition Services Certification Manual.

2. To compute countable income of an ineligible alien (if it is determined not to be terminated income) you must:

**a. Qualified Ineligible Aliens**

Include this member's prorated countable gross income. For instruction on proration, refer to d below.

**b. Treatment of Income of Non-Qualified Ineligible Aliens**

Count all income of non-qualified ineligible alien's when applying the manual gross income test for eligibility purposes; do not include the non-qualified ineligible alien in the household size. If the household's income exceeds the gross income test, deny the application.



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**EXAMPLE:** A LIEAP Unit consists of four persons. The head of household, who is an undocumented alien, is employed and has earnings that exceed the maximum income level for a household of three. Deny assistance.

If the household's income does not exceed the gross income level, include this member's prorated countable gross income. For instructions on proration, refer to d. below.

- c. Determine if the ineligible alien paid room/board in the base period to the LIEAP household. Exclude the room/board payment from the ineligible alien's gross income since the room/board payment is counted as income for another LIEAP household member. The exclusion cannot exceed the amount of the room/board income.
- d. Divide the gross countable income of each ineligible alien by the total number in the household [including the ineligible alien(s)]. This is each person's pro rata share.
- e. Multiply the pro rata share amount by the number of eligible household members in the LIEAP budget. This figure is the prorated amount to count in the budget for the ineligible alien(s).

**EXAMPLE:** A household consists of seven persons. The household contains two ineligible aliens. One is employed and earns \$700 per month. The other has \$70 unearned income per month.

**Ineligible Alien 1:**

**\$700 divided by 7 = \$100 (prorata share)**

**\$100 x 5 (eligible household members) = \$500**

**\$500 = Income of this ineligible alien to be counted for remaining eligible household members in the LIEAP budget. This is the prorated amount.**

**Ineligible Alien 2:**

**\$70 divided by 7 = \$10 (prorata share)**

**\$10 x 5 (eligible household members) = \$50**

**\$50 = Income of this ineligible alien to be counted for remaining eligible household members in the LIEAP budget. This is the prorated amount.**

3. Terminated Income

If an ineligible alien's income has terminated, see **302.02 IV** above to determine the amount of gross income. Prorate this amount. (See A., 2. c. above for instructions on how to prorate.)

B. Deductions

1. Do not allow a medical deduction for an ineligible alien, even if he is a specified person.

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2. The Energy System deducts **automatically** the standard work-related expenses using the table in **VIII. B.** above. The standard work-related deduction is based on the prorated income counted in the LIEAP budget.

**EXAMPLE:** A household consists of three people (one of which is an ineligible alien). The ineligible alien has \$300 gross wages. Count \$200 of his gross wages in the LIEAP budget. The standard deduction would be \$40. (This is based on the \$200 that is counted in the LIEAP budget.)

3. If paid by an ineligible alien.

Prorate the monthly child care costs used to determine the current benefit or payment. See example below for instructions on how to prorate.

**EXAMPLE:** To prorate, you must:

Divide the amount (child care, etc.) by the total number in the household [including the ineligible alien(s)]

Multiply this amount by the number of eligible household members. This is the prorated amount (child care deduction, etc.)

A household consists of three people (one of which is an ineligible alien). The ineligible alien has paid \$60 in child care costs.

\$60 divided by 3 = \$20 prorata share

\$20 x 2 (eligible household members) = \$40

\$40 = allowable child care costs

### **300.11 INCOME VERIFICATION AND DOCUMENTATION**

#### **I. Earned Income**

Verify actual earned income which was received in **the base period**. Listed below are some sources of verifications.

##### **a. Wages**

- Check stubs
- DSS-8113 completed by the employer for wage verification
- Contact with source/employer/collateral
- FSIS information if representative of applicants current situation
- If verification cannot be obtained from any other source, use the client's statement as verification.

##### **b. Farm, Self-Employment, or Rentals**

- Applicant's business records
- Bills/receipts for operational expenses
- Records from banks, suppliers, or other knowledgeable sources for income AND operational expenses
- Statement from roomer/boarder

#### **2. Unearned Income**

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Verify actual unearned income which was received in the base period. Listed below are some sources of verifications.

- For Child Support use ACTS, or Contribution Form
- Award letter
- TPQY
- ESC-UIB
- Check stub OR copy of October check
- Contact with source of income
- FSIS information if representative of applicants current situation
- Online Verification (OLV)

3. Terminated Income

a. If questionable, verify income is terminated by viewing:

- Layoff slips
- Contact the local Employment Security Commission (ESC) office
- Contact other collaterals

b. To verify income amounts, use same sources of verification listed in 1. and 2. above.

**Document all verifications on the worksheet or attach any verifications received to the worksheet.**

**NOTE:** A client's statement can be used as verification of income if the household is over the income limit.

**300.12 DEDUCTIONS**

From total **gross** countable income of each eligible household member, the following deductions are allowed:

A. Standard Medical Deduction for Specified Persons

Each specified person will receive a standard medical deduction of \$85, regardless of whether they have an expense. A specified person is an individual 60 years of age or older, or one of the following:

1. Who receives SSI or disability or blindness payments under Title one, two, fourteen or sixteen of the Social Security Act. These individuals may have been approved but have not received their initial payment.
2. Who receives VA disability for a 100% service or non -service connected disability.
3. Is a disabled surviving spouse or disabled surviving child of a Veteran.
4. Receives disability retirement benefits from a State, county, or local government agency due to a disability considered permanent under Section 221 of the Social Security Act.
5. Is receiving a pension from Railroad Retirement Act of 1974 and determined to be eligible to receive Medicare.

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6. Who receives Federal Employees Compensation Act payments due to a disability considered permanent under the Social Security Act.
  7. Receives Medicaid based on disability.
  8. Receives SSI based on presumptive eligibility.
- B. Standard Work-related Expenses (from the table below) of Each Household Member with Earned Income.

The Energy System allows **automatically** the standard deduction for all types of earned income including farm, self-employment, and rental income. (The table includes an allowance for hospital insurance premiums, FICA, State retirement, etc.)

Gross Income Level			Standard Deduction
\$	1	- 50	\$ 10
	51	- 100	20
	101	- 150	30
	151	- 200	40
	201	- 300	60
	301	- 400	80
	401	- and up	20%

C. Dependent Care Deductions

1. Determine whether a household member has out of the pocket child care expenses in the base period. If so, allow the full amount of out-of-pocket expenses paid to the day care provider. Do not allow any amount paid by or reimbursed by other parties.
2. Verify actual child care costs paid in the base period for each household member with earned income. This includes additional transportation expenses incurred as a result of transporting Energy members to and from the dependent care provider. When determining the mileage incurred to provide the dependent care transportation, do not include the normal mileage incurred by the Energy unit to go to and from work. Only allow the dependent care transportation expense for the additional mileage incurred by the Energy unit. Allowable mileage is the current business **IRS mileage rate**. Verify child care by seeing a receipt or canceled check or by contacting the child care provider.

D. Child Support Deduction

Determine whether a household member is required to pay legally obligated child support to a non-household member. Legally obligated child support is:

- Court ordered; **or**
- Ordered through an administrative process (such as IV-D); or
- Ordered through a legally enforceable separation agreement.

**Take the following steps when a household member reports paying legally obligated child support to a non-household member.**

1. Verify the child support amount actually paid (including arrearages) in the base period by the household member. Verify by ACTS inquiry, statement from

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receiving parent, canceled checks, and money orders. **Document all verifications on the application in the Energy System.**

2. Allow as an exclusion the child support actually paid (including arrearages) by the household member. This includes court ordered payments or rent, mortgage, or other shelter expenses to the custodial parent and child in lieu of child support and court ordered payments for health insurance coverage for the child.
3. Do not allow a child support exclusion for alimony payments, spousal support payments, or property settlement payments paid by a household member.
4. Enter the allowable amount of the legally obligated child support exclusion into the Data Entry System. The system will automatically deduct the amount from the household's income when determining eligibility.

**Document all verifications on the worksheet or attach any received verifications to the worksheet.**

### 300.13 RESOURCES

Household members meet the resource requirement if the total household members' countable resources are \$2,250 or less as of the date of the application.

Accept the household's statement unless questionable. A resource is considered questionable when there is reason to believe that the reported value is incorrect. When determining the value of a checking or savings account, subtract any outstanding withdrawals and any funds remaining that were counted as income in the LIEAP application. When verifying assets, document on the DSS-8116. Allow the client ten (10) business days to provide verification of stated resources. Verification of resources should be requested using the Form 8185.

Ineligible aliens' assets shall be countable toward the household's total \$2,250.

If the Household's resources exceed \$2,250, deny the application.

#### COUNTABLE AND NON-COUNTABLE RESOURCE ITEMS

RESOURCE ITEMS	COUNTABLE	
	YES	NO
Cash on hand	X	
The current balance of savings account (s)	X	
That portion of checking or savings account other than the monthly income deposited to meet the household's needs.	X	
Stocks, bonds, mutual fund shares, and savings certificates.	X	
Funds in a retirement account that are accessible (such as 401K, NC State Retirement, etc.)	X	
Funds in a retirement account that are accessible, including IRA and Keogh Plans	X	
Revocable trust funds.	X	
Life estate and remainder interest, if salable		X
Net proceeds from a business, including a farm, which has been discontinued.	X	
Equity in real property not used as a home or producing an income	X	
Federal Emergency Management Assistance/or Disaster Assistance		X
Household or personal belongings (includes essential and non-essential personal property).		X
Motor vehicles.		X

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Primary residence, including mobile home, and all contiguous property.		X
Income producing property.		X
Insurance (including burial, term, and whole life cash values).		X
Value of prepaid burial contracts.		X
Value of burial plots.		X
Savings of a student under age 18 who is saving his money for school expenses.		X
Relocation assistance payments.		X
That portion of monthly income deposited in a checking account to meet monthly needs.		X
Non-saleable life estate or remainder interest.		X
Heir property.		X
HUD community development block grants.		X
Real property ( land or buildings) including mobile homes		X
The remaining balance of any lump sum payment received prior to the month of application	X	

**300.14 BENEFIT DETERMINATION AND METHOD OF PAYMENT**

- A. Benefits are based on the household's size and income at the time of application. The income limit is 130% of the federal poverty level. To determine benefit levels, the income limit is broken down into two categories so that families with the lowest incomes receive the higher benefit. There are three benefit level amounts designated according to household size and income. Households that heat with coal and/or wood will receive a benefit of \$200 regardless of household size; however, they will still need to be at or below the 130% income limit.

Benefits are paid directly to vendors who have an approved vendor agreement on file with the County. Counties may want to establish additional agreements with vendors such as a promise to pay, purchase order, etc. for households whose primary heat source is kerosene, fuel oil and the like.

If a county has a LIEAP balance of \$400 or less, approval for an even \$200, \$300, or \$400 may be given. Partial payments such as an amount of \$70 or \$100 for LIEAP are not allowed.

If a household moves and leaves a credit balance with their vendor, settlement of the credit is between the household and the vendor. If the vendor is aware of the household's new vendor, the credit balance should be forwarded to the new vendor. If the vendor is unable to contact the household to settle a credit balance, the county is responsible for trying to locate the household. If the county is unable to locate the household, the credit balance should be returned to the local county department of social services. The county will complete an adjustment in the Energy System and report the amount on the DSS-1571 accordingly.

A credit balance should not be given to the household.

- B. The chart below reflects the benefit levels based on household size and income category.

*Income Ranges by Family Size*  
**Percentages of 130% Poverty Income Limit**

Household Size	0 – 50% (Represents 0 - 65% of 130%)	51% - 100% (Represents 66 - 100% of 130%)

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Payment Amount	\$300.00	\$200.00
1	\$0 - 638	\$ 639 - 1,275
2	\$0 - 863	\$ 864 - 1,726
3	\$0 - 1,088	\$1,089 - 2,176
Payment Amount	\$400.00	\$300.00
4	\$0 - 1,314	\$1,315 - 2,627
5	\$0 - 1,539	\$1,540 - 3,078
6	\$0 - 1,764	\$1,765 - 3,528
7	\$0 - 1,990	\$1,991 - 3,979
8	\$0 - 2,215	\$2,216 - 4,430
9	\$0 - 2,440	\$2,441 - 4,880
10	\$0 - 2,666	\$2,667 - 5,331
11	\$0 - 2,891	\$2,892 - 5,782
12	\$0 - 3,116	\$3,117 - 6,232
13	\$0 - 3,342	\$3,343 - 6,683
14	\$0 - 3,567	\$3,568 - 7,134
15	\$0 - 3,792	\$3,793 - 7,584
16	\$0 - 4,018	\$4,019 - 8,035
17	\$0 - 4,243	\$4,244 - 8,486
18	\$0 - 4,468	\$4,469 - 8,936
19	\$0 - 4,694	\$4,695 - 9,387
20	\$0 - 4,919	\$4,920 - 9,838
21	\$0 - 5,144	\$5,145 - 10,288
22	\$0 - 5,370	\$5,371 - 10,739
23	\$0 - 5,595	\$5,596 - 11,190
24	\$0 - 5,820	\$5,821 - 11,640
25	\$0 - 6,046	\$6,047 - 12,091
26	\$0 - 6,271	\$6,272 - 12,542
<b>Households heating with Coal and/or Wood will receive \$200.00</b>		

**300.15 PAYMENTS FOR DECEASED, INCARCERATED, OR INSTITUTIONALIZED PAYEES**

If an applicant becomes deceased after a LIEAP payment has been made to the vendor and the payment results in a credit, the county should verify if there are any other adults remaining in the household. If so, the credit will remain. If there are no other adults residing in the applicant's household, the vendor is responsible for returning the credit amount to the local county department of social services. The county will forward the payment amount with a cover letter giving identifying information, reason why submitted, and date of death if known, to the Clerk of Court to be applied to the deceased payee's estate.

If no administrator has been appointed to the applicant's estate, the Clerk of Court disburses the funds as follows:

- Provide for spouse's and children's needs for the year as allowed by law;
- Pay or reimburse others for funeral expenses up to a maximum of \$2,000;
- Pay or reimburse others for hospital, medical, and physician's bills incurred during the individual's last illness (not to exceed a period of 12 months);
- Pay the balance to the surviving spouse or to the heirs if there is no spouse.

If the Clerk of Court returns a check to the local county department of social services and states the payee's estate has been settled, complete an adjustment in the Energy System and report the amount on the DSS-1571 accordingly.

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If a LIEAP payment is made to a vendor and it results in a credit due to the applicant becoming incarcerated, institutionalized, or the household is unable to be located for settlement of the credit, and there are no other adults in the home; the vendor is responsible for returning the payment amount to the local county department of social services. The county will complete an adjustment in the Energy System and report the amount on the DSS-1571 accordingly.